

Message Text

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ACTION NEA-10

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P R 141119Z MAY 76
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AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

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E.O. 11652: N/A

TAGS: BEXP IN

SUBJECT: INVESTMENT OPPORTUNITY: ESTABLISHING A JOINT VENTURE TO
MANUFACTURE FLAKED ALUMINUM POWDERS

1. MANDHIR SINGH, PRESIDENT, SINGH METAL POWDERS (SMP), W-64 GREATER
KAILASH, NEW DELHI 110048 SEEKS AMERICAN EQUITY AND TECHNICAL
PARTICIPATION TO MANUFACTURE FLAKED ALUMINUM POWDERS.

2. THE PROJECT PROMOTER, MANDHIR SINGH-34 IS A HIGH IMPRESSIVE,
CAPABLE AND EXPERIENCED BUSINESS EXECUTIVE. BEFORE ESTABLISHING
HIS OWN BUSINESS ABOUT A YEAR AGO, MR. SINGH WORKED FIRST WITH THE
IBM WORLD TRADE CORPORATION, NEW DELHI FOR SEVEN YEARS AS A SYSTEM
ENGINEERING AND MARKETING EXPERT AND THEN MOVED TO BHARTIA ELECTRIC
STEEL COMPANY LIMITED, CALCUTTA FOR ABOUT FOUR YEARS. BHARTIA IS
A LICENSEE OF AMSTED INDUSTRIES INTERNATIONAL, CHICAGO,
ILLINOIS AND A LEADING PRODUCER OF STEEL CASTINGS IN INDIA.
WHEN HE LEFT BHARTIA, MR. SINGH WAS THE DEPUTY GENERAL
MANAGER OF THE COMPANY'S PLANT AT FARIDABAD, NEAR DELHI.
SMP HAS ALREADY COMMENCED EXPERIMENTAL PRODUCTION OF AIR
ATOMIZED METAL POWDERS. ITS WORKING LABORATORY EMPLOYS TWO
METALLURGISTS, ONE CHEMIST AND SEVEN SKILLED AND UNSKILLED
WORKERS. MR. SINGH BELONGS TO A WEALTHY FAMILY WHICH MAINTAINS
GOOD SOCIAL, BUSINESS AND GOVERNMENTAL CONTACTS.

3. SMP PLANS TO ESTABLISH A PLANT AT GHAZIABAD -ABOUT 19
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MILES NORTH-EAST OF DELHI TO ANNUALLY MANUFACTURE 600 METRIC

TONS OF FLAKED ALUMINUM POWDERS. THE GRADES OF POWDERS
REQUIRED ARE:

A. ALUMINUM POWDERS FOR EXPLOSIVES:

- AIR ATOMIZED:

ALUMINUM PERCENT MIN.	98.0
MAGNESIUM PERCENT	0.2
FINENESS PERCENT MIN.	
-125 MICRON (120 BS)	99.0
- 75 MICRON (200 BS)	92.0

B. FLAKED POWDER:

- FREE METALLIC ALUMINUM PERCENT	89.0 MIN.
- MAGNESIUM PERCENT	0.2
- MATTER SOLUBLE IN ETHER PERCENT	
MAX.	2.5
MIN.	1.5
- APPARENT DENSITY MAX.	0.2 G/ML
- FINENESS PERCENT MIN.	
- 75 MICRON (200 BS)	99.0
- 45 MICRON (350 BS)	70.0
WETTABILITY PERCENT MAX.	5.0
WATER COVERING POWDER	5000 CM SG/G MIN.
TO	
	12000CM SG/G

C. ALUMINUM BRASS POWDERS FOR BRAKE LININGS ETC:

- PURITY PERCENT	98.0
- FINENESS	30/40 BS MESH SIZE

D. OTHER INDUSTRIAL USES:

- PURITY PERCENT	98.0
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ESTIMATED TOTAL COST OF THE PROJECT INCLUDING MACHINERY AND
EQUIPMENT IS DOLS227,000. THE INDIAN PROMOTER SEEKS U.S. TECHNOLOGY
AND IS WILLING TO CONSIDER UPTO 26 PERCENT EQUITY PARTICIPATION
BY AN AMERICAN INVESTOR. IN CONSULTATION WITH PROSPECTIVE
COLLABORATOR, SMP WOULD IMPORT AN ATOMIZING UNIT, EXCLUDING
COMPRESSOR;FLAKING UNIT AND POLISHINGUNIT. THE INDIAN
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FIRM HAS INDICATED THAT U.S. COLLABORATOR WILL HAVE TO PROVIDE
A GUARANTEE TO EXPORT 30/40 PERCENT OF THE OUTPUT. THIS EXPORT
COMMITMENT, HOWEVER, APPEARS TO BE NEGOTIABLE SUBJECT TO
GOVERNMENT OF INDIA CONCURRENCE.

4. IN SECOND PHASE,SMP WILL TAKE UP PRODUCTIONOF SINTERED
CASTINGS, WHICH IS ANOTHER UNEXPLORED FIELD IN INDIA.

5. METAL POWDERS THAT SMPIS PLANNING TO PRODUCE ARE USED BY MANUFACTURERS OF EXPLOSIVES, BRAKE LININGS AND ALUMINUM PAINTS. INDIA OFFERS AN EXCELLENT GROWTH POTENTIAL IN THIS AREA. AMONG THE CURRENT PRINCIPAL SUPPLIERS OF EXPLOSIVE GRADE METAL POWDERS TO THIS COUNTRY ARE ALUMINUM COMPANY OF AMERICA (ALCOA), PITTSBURGH, PA. AND KARL SCHLIENK OF WEST GERMANY.

6. SMP HAS REQUESTED DOC'S ASSISTANCE IN LOCATING A POTENTIAL COLLABORATOR FOR THIS PROJECT. ALTHOUGH MR. SINGH REALIZES THAT ALCOA IS TOO BIG A COMPANY FOR HIS PROJECT, YET HE WOULD LIKE HIS PROPOSAL TO BE BROUGHT TO ITS ATTENTION.

7. MR. SINGH IS EAGER TO IMPLEMENT THIS PROJECT ASAP AND CAN VISIT THE UNITED STATES AT A SHORT NOTICE TO NEGOTIATE TERMS OF COLLABORATIVE AGREEMENT WITH A GENUINELY INTERESTED US COMPANY. IT IS A SMALL UNIT AND DOES NOT REQUIRE A "LETTER OF INTENT". HOWEVER, TERMS OF FTREIGN COLLABORATION WILL HAVE TO BE APPROVED BY THE GOI.

8. DOC IS REQUESTED TO DISSEMINATE THE FOREGOING THRU COMMERCE AMERICA. IN ADDITION,IF FEASIBLE, IT IS SUGGESTED THAT POTENTIALU.S. COLLABORATORS BECONTACTED DIRECTLY. INTERESTED FIRMS SHOULD COMMUNICATE DIRECTLY WITH MANDHIR SINGH, PRESIDENT, SMP.SAXBE

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